

2/14/2023

**Testimony Before Human Services Committee,
In Support of RB 6629: An Act Concerning Temporary Family Assistance**

Good Afternoon Senator Lesser, Representative Gilchrest, Ranking Members and Members of the Human Services Committee,

My name is Liz Fraser, I am the Policy Director for the Connecticut Association for Human Services, a division of Advancing Connecticut Together. CAHS promotes multi-generational policy and program solutions which promote family economic well-being, and foster equitably resourced communities.

Thank you for the opportunity to testify in support of RB 6629: An Act Concerning Temporary Family Assistance, which would extend the time limits for Temporary Family Assistance from 21 to 60 months and mitigate the cliff effect as families transition out of the program.

Throughout the pandemic, federal relief, including unemployment increases, a child tax credit, and stimulus payments, had a positive effect on our population, moving many families into a better financial situation, and many children out of poverty- at least in the short term. However, that relief is disappearing, inflation has increased, and executive orders are sun setting. This is fast bringing us back to the stark reality that families are struggling, especially those families living in deep poverty.

TFA Context Over the past 20 years the CT TFA cash assistance caseload has consistently declined, even though the percentage of children living in deep poverty has risen.

2021 data shows there are over 51,000 Connecticut children living in **deep poverty**, or **under 50% of the Federal Poverty Level, (FPL)**, an increase of about 7,000 children over previous years. The majority of these children are children of color, but the percentage of white children living in deep poverty has doubled . ¹ Without Temporary Family Assistance ,(TFA) children are more likely to experience homelessness, to be involved with DCF, and to experience toxic stress, impacting their well-being and both short term and long term achievement. **Meanwhile, in Connecticut the “number of needy families with children receiving assistance” has dropped from 7,278 in 2019, down to 4,670 in 2021.** ²

In the summer and fall of 2022, CAHS, along with Greater Hartford Legal Aid, New Haven Health Start, and the CWCSEO, conducted listening sessions with four separate groups of TFA eligible families. We asked participants what worked in the program, what barriers were encountered, and what might make the program more helpful. This information is being analyzed and a report will be available in the next few weeks. However, several of the top line themes are pertinent to this conversation. First, there was true gratitude to this committee and the government for the program and the cash assistance. There was appreciation expressed for the education and training opportunities offered through the work boards, **especially when it was accompanied by their case manager acting as a “coach”; providing information, support and facilitating and navigating access to other helpful programs.** Finally, parents expressed the strong sentiment that they *wanted* to work and be able to support their families.

¹<https://datacenter.kidscount.org/data/tables/8783-children-in-extreme-poverty-by-race-and-ethnicity?loc=8&loct=2#detailed/2/8/false/2048,1729,37,871,870,573,869,36,133,35/4038,4040,4039,2638,2597,4758,1353/17619,17620>

² <https://sgp.fas.org/crs/misc/RL32760.pdf> pg 27

Along with these positive comments the view point was expressed that while the assistance was helpful and appreciated, it was not enough to help stabilize the family, every day was a struggle. Many described their hopes and dreams in terms of short term needs, rather than long term goals. Participants spoke clearly about the stigma attached to receiving TFA, not just by others, but because of their own early experiences and societal prejudices. Parents spoke of not wanting to accept TFA, and getting off as soon as they had a job, even though their wages would not be enough to reach financial stability, which sort of defeats the purpose of TFA.

If the goal of TFA is to give extremely under-resourced families the support needed to become more financially secure, then the proposed modifications are essential. Longer eligibility periods will give parents the time it takes to get on their feet, become more financially stable, go back to school and/or attain credentials leading to career pathways and higher paying jobs. But most of all it will give their children a better shot at life, it is a two generational strategy. When parents do better, children do better! When families do better, the state will do better.

We support increasing the time limits on TFA eligibility: Research shows that reliable and stable support for a longer term (6 years) results in greater self-sufficiency and long-term benefit. Connecticut's 21-month time limit, even with the two possible extensions, is one of the most prohibitive eligibility periods in the country, second only to Arizona. In terms of our neighboring states, Connecticut is the only state in the Northeast region with a limit that short. In comparison, Massachusetts has eliminated their time limit. And Maine, New Hampshire, New York, New Jersey, and Vermont all have 60-month time limits – matching the federal standard.

For families in crisis, twenty-one months of cash assistance, even with possible extensions, does not always provide enough time for parents to address the multiple barriers that can prohibit supportable employment. Even if parents have not achieved financial stability, they still will be arbitrarily cut off from support.

Family circumstances and/or emergencies can prolong the need for TFA. Under-resourced families are just one emergency away from needing financial support from programs like TANF. TFA eligible parents are deeply under-resourced, and facing numerous financial or personal hardships. For these families, it is very likely that they will likely need longer than 21 months of receiving cash assistance to get their household stabilized. The 60 month time limit will give families a realistic opportunity to take the steps necessary to achieve long term stability, rather than short term intervention.

Crucial to being economically self-sufficient, is the time needed to acquire the skills and education needed to secure a job with supportable wages. A report by the Center on Budget and Policies documents that parents leaving TANF cash assistance programs were working, but not in jobs that could actually support a family.³ Parents need enough time to address lingering challenging issues, gain some confidence, some income, and to actually plan for the future.

Many TFA recipients still need to complete high-school or receive some remediation services before being at the right skill level to even begin training, and this takes time. TFA participants, who need additional training or education, are often offered only shorter term training opportunities. Participating in short term programs with credentials upon completion is only the first step. However the jobs available don't usually provide enough income or opportunity to impact long term financial stability. Additional time allows participants to have a career pathway, with the time it takes to move forward.

Finally, there are institutional barriers that unintentionally put roadblocks in the path to success. For Example, one of the parents in our listening sessions mentioned that he had to wait for his training program to be

³ <https://www.cbpp.org/research/family-income-support/most-parents-leaving-tanf-work-but-in-low-paying-unstable-jobs>

available to him. He waited and followed all of the TFA rules. But by the time it was open, his eligibility had expired.

We also support the provisions for families transitioning off of TFA As TFA families are transitioning off of the program, an extended *Earned Income Disregard* as described in RB 6629, (similar to the recommendation in the Governor's proposed budget) would allow a family to earn a set percentage over the eligibility cap, (100% of FPL), for a certain number of months. This gives an added measure of security for families as they become financially independent, and reduces the chance that exiting families will fall off an inevitable income cliff, and back into an economically unsustainable situation. It also gives several months of security that could be used for financial coaching, and potentially saving some money.

We suggest the elimination of the Asset Test: Due to the state's very low asset limit, parents are only allowed to have \$3,000 in assets while receiving TANF cash assistance in Connecticut. This limit prevents parents from accumulating cash, savings, and other material goods, which is critical to being financially stable.

Even for a family that needs to move apartments, for example, the TANF asset limit would make it extremely difficult to do so - rent in CT is on average \$1559 for a two - bedroom apartment.⁴ Often the first month's rent, last month's rent and sometimes a separate security deposit is needed to sign a lease. The family would likely also need to rent a moving truck. These expenses alone would leave the family with no other savings they could hold without being kicked off the TANF cash assistance program due to the small asset limit.

In the listening sessions, many parents spoke of the difficulties in finding the correct financial documentation to send to the Department of Social Services, how paperwork would become lost and need to be re-submitted and sometimes more than once, how it was confusing to send documentation for different supportive programs- all on different time frames.

Research has concluded that increasing the TANF asset limit doesn't impact the state TANF caseloads, according to Pew Charitable Trusts. Pew Charitable Trusts has also found that states that have increased their asset limits to moderate amounts (\$3,000 to \$9,000) or that have eliminated them altogether, have decreased their administrative costs.⁵ Especially since the Supplemental Nutrition Assistance Program (SNAP) doesn't have an asset limit in Connecticut, there is an increased administrative burden for the state to administer an asset limit in TANF, but not for the other program. It benefits both recipients and the state to align both programs.

In Conclusion: The purpose of TFA is to provide cash assistance to the most economically unstable families, creating a pathway to family economic stability. Cash assistance works. As demonstrated by the 2022 federal child tax credit, cash in the pockets of parents has been proven to move children out of poverty and increase family stability. It helps families meet basic needs, can stabilize a family budget, promotes economic and racial equity, and can form the foundation for children to succeed all through life. TFA is the only cash assistance program in place, and is specifically for those families in the greatest of need.

Yet, from 2015-2019 there were approximately 97,000 Connecticut children, (13.3% of children) living below the federal poverty level.⁶ We have been serving fewer and fewer families, even though poverty, and

⁴ <https://www.rentdata.org/states/connecticut/2023>

⁵ [Research from Pew Charitable Trusts](#)

⁶ <https://datacenter.kidscount.org/data/tables/44-children-in-poverty-by-race-and-ethnicity?loc=8&loct=2#detailed/2/8/false/1729,37,871,870,573,869,36,868,867,133/10,11,9,12,1,185,13/324,323>

especially child poverty, has remained high. We have the ability to really make a difference in the lives of these children.⁷

Coupled with this we know that Connecticut has approximately 15,000 more jobs available than there are job seekers. Connecticut needs a skilled workforce and TFA parents want to work! Lapsed TFA funds would be well spent on extending eligibility, and providing stronger supports, including allowing extended education and training, with necessary child care, so that recipients can participate in a career pathway program leading to supportable employment. The outcomes for both parents, children, and our economy, will provide a meaningful return on investment for families and for Connecticut.

Due to the hard work of this committee, TANF reform has begun. Over the past several legislative sessions the TFA “family cap” was eliminated from the TANF statute, and the “Standard of Need” formula was updated allowing TFA eligibility to be determined at the 55% of the Federal Poverty Level, rather than an outdated and opaque formula.⁸ These first steps to reform Connecticut TFA demonstrate this committee's respect for the parents, some of the most economically vulnerable families in the state, who get up every day to do the best they can for their children, just like you and me.

But there is more to do. In good conscience, now is the time to take the steps necessary to ensure there is a path to economic stability for every family, for every child. For the most economically challenged families, it begins with TANF reform, especially TFA, the only cash assistance program available for Connecticut families. We ask that as a state we do not keep leaving these families behind, unable to access the kind of life that we all would like for our own children.

⁷file:///C:/Users/efraser_cahs/Downloads/Pathways%20to%20Prosperity_%20Report%20from%20a%20Convening%20on%20Economic%20Security%20for%20Families%20With%20Infants%20and%20Toddlers%20%20.pdf

⁸ <https://www.cbpp.org/research/income-security/increases-in-tanf-cash-benefit-levels-are-critical-to-help-families-meet>